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SMartX Advisory Solutions Adds 54 Strategies to UMA Platform

The platform now features 1,181 strategies from 290 asset management firms, according to the company.

Rob Burgess | Apr 07, 2023

Technology provider SMArtX Advisory Solutions, which specializes in managed accounts and is also a turnkey asset management platform, announced it had added 54 strategies to its unified managed accounts platform.

While the number of releases was unusually large, according to Chief Marketing Officer Alex Smith-Ryland—the average is around 19 strategies per month—the firm added 42 strategies in June 2022.

Among the new firms bringing strategies to the platform are Brown Advisory, Capital Wealth Planning, Renaissance Investment Management, Seizert Capital Partners, Spyglass Capital Management, Syntax and WestEnd Advisors. They join many existing platform firms, including Beaumont Capital Management, ClearBridge Investments, Dana Investment Advisors, Invesco Advisers, J.P. Morgan Asset Management, T. Rowe Price Associates and ZEGA Financial, which all added new strategies.

The platform now features 1,181 strategies from 290 asset management firms, according to the company. The asset management firms that have joined the SMArtX platform have contributed a total of 20 strategies that cover equity exposures and direct indexing themes. These strategies offer access to long-only models and thematic indexes that aid in portfolio diversification, enabling registered investment advisors to construct portfolios with lower correlation and volatility as compared with the overall market. In addition to this, the existing firms have added another 34 investment strategies, comprising tax-aware, domestic equity, global equity and market-neutral models.

“As the trend of financial advisors outsourcing investment management continues, you’ll see platforms add brand name options to enhance the access to high-quality investment stories at a low operational burden,” said Joe Mallen, chief investment officer at Helios. “Most advisors don’t have the time nor the budget to build their own investment program, and outsourcing is one of a few ways to compete with the multibillion-dollar RIAs. What you gain in quality does have drawbacks in the form of brand retention and additional fee layers.”

Will Trout, director of wealth Management for Javelin Strategy & Research, said the addition of so many strategies “speaks to surging interest among advisors in direct indexing and UMA capabilities generally.”

“Demand for best-in-class investment strategies is particularly strong in the independent channel, where SMArtX has emerged as a player of note, not least to its partnership with Morningstar,” said Trout. “Asset managers, for their part, are eager to secure new avenues for distribution, both to offset constraints on product shelf-space at the wirehouses and leading broker/dealer platforms and to satisfy advisor need for more personalized portfolios.”

In May 2022, the company announced it had closed its Series D funding round with a \$30 million investment from Morningstar Investment Management.

SMArtX Advisory Solutions launched in February 2018, having been spun out of the alternative investment platform HedgeCoVest. It announced the addition of 14 new direct indexing models from S-Network Global Indexes and a year later the firm introduced an outsourced chief investment officer service. In early 2020, the company closed a \$4 million round of venture funding.